

# EASTSPRING INVESTMENTS INSTITUTIONAL INCOME FUND

## ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016



**Dear Valued Investor,**

Greetings from Eastspring Investments Berhad!

First and foremost, we would like to take this opportunity to thank you for choosing to invest with Eastspring Investments Berhad.

**We are pleased to enclose a copy of the Annual/Interim/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 30 September 2016.**

You may also download these reports from our website at [www.eastspringinvestments.com.my](http://www.eastspringinvestments.com.my)

Should you require any assistance, please do not hesitate to contact our Client Services at 03-2332 1000.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Raymond Tang Chee Kin', written in a cursive style.

**Raymond Tang Chee Kin**

Non-Independent, Executive Director and Chief Executive Officer

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## FUND INFORMATION

### Name of Fund

Eastspring Investments Institutional Income Fund (the "Fund")

### Fund Category/ Type

Bond/income

### Fund Objective

The Fund seeks to provide a stable stream of income\* by investing in fixed income securities.

\* Income distributed to a Unit Holder will be reinvested into additional Units unless Unit Holder opts for the distribution to be paid out.

### Performance Benchmark

Maybank overnight deposit rate

**Source:** [www.maybank2u.com.my](http://www.maybank2u.com.my)

**Note:** The risk profile of the Fund is different from the risk profile of the performance benchmark.

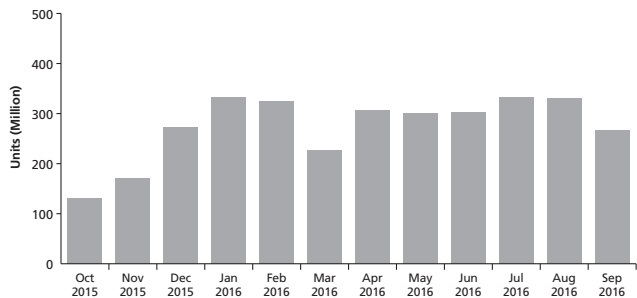
### Fund Income Distribution Policy

At least twice a year, subject to the availability of income.

### Breakdown of Unit Holdings by Size

As at 30 September 2016, the size of Eastspring Investments Institutional Income Fund stood at 266.847 million units.

**Fund Size**



## FUND INFORMATION (CONTINUED)

**Breakdown of Unit Holdings by Size (continued)**

<b>Breakdown of Unit Holdings</b>				
<b>Unit Holdings</b>	<b>No. of Unit Holders</b>	<b>%</b>	<b>No of Units* ('000)</b>	<b>%</b>
5,000 units and below	-	-	-	-
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	-	-	-	-
50,001 to 500,000 units	-	-	-	-
500,001 units and above	2	100.00	266,846	100.00
<b>Total</b>	<b>2</b>	<b>100.00</b>	<b>266,846</b>	<b>100.00</b>

\* excludes units held by the Manager.

## KEY PERFORMANCE DATA FOR THE FINANCIAL YEAR ENDED

Category	30.9.2016	30.9.2015	30.9.2014
	(%)	(%)	(%)
Cash and other assets	100.00	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Net Asset Value (NAV) (RM'000)	274,106	183,944	726,497
Units In Circulation (Units '000)	266,847	178,939	706,639
Net Asset Value Per Unit (RM)	1.0272	1.0280	1.0281
Highest Net Asset Value Per Unit (RM) <sup>#</sup>	1.0272	1.0280	1.0281
Lowest Net Asset Value Per Unit (RM) <sup>#</sup>	1.0260	1.0267	1.0268
Total Return (%)			
Capital Growth	(0.08)	(0.01)	0.03
Income Distribution	3.44	3.28	2.80
Total Return (%)	3.36	3.27	2.83
Gross Distribution Per Unit (RM)	0.0348	0.0332	0.0284
Net Distribution Per Unit (RM)	0.0348	0.0332	0.0284
Management Expense Ratio (MER) (%) <sup>*</sup>	0.67	0.63	0.63
Portfolio Turnover Ratio (PTR) (times) <sup>^</sup>	34.27	33.61	42.98

<sup>#</sup> Figures shown as ex-distribution.

<sup>\*</sup> There were no significant changes to the MER during the period under review.

<sup>^</sup> There were no significant changes to the PTR during the period under review.

## KEY PERFORMANCE DATA (CONTINUED)

	<b>1 year</b> <b>1.10.2015 to</b> <b>30.9.2016</b>	<b>3 years</b> <b>1.10.2013 to</b> <b>30.9.2016</b>	<b>5 years</b> <b>1.10.2011 to</b> <b>30.9.2016</b>
	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
Average total return	3.36	3.15	2.93

<b>Year ended</b>	<b>1.10.2015 to</b> <b>30.9.2016</b>	<b>1.10.2014 to</b> <b>30.9.2015</b>	<b>1.10.2013 to</b> <b>30.9.2014</b>	<b>1.10.2012 to</b> <b>30.9.2013</b>	<b>1.10.2011 to</b> <b>30.9.2012</b>
	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
Annual total return	3.36	3.27	2.83	2.62	2.60

**Source:** Lipper for Investment Management, as at 30 September 2016.

### Bases of calculation and assumptions made in calculating returns:

Percentage growth	=	$\frac{NAV_t}{NAV_0} - 1$
NAV <sub>t</sub>	=	NAV at the end of the period
NAV <sub>0</sub>	=	NAV at the beginning of the period
Performance annualised	=	$(1 + \text{Percentage Growth})^{1/n} - 1$
n	=	Number of years

**Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.**

## MANAGER'S REPORT

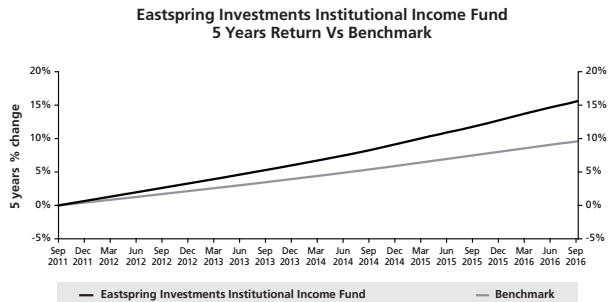
### Fund Performance

Over the 5-year period, the Fund recorded a positive return of 15.57%, outperforming its benchmark return of 9.60% by 5.97%.

During the period under review, the Fund registered a positive return of 3.36%, outperforming its benchmark return of 1.95% by 1.41%.

The outperformance of the Fund was contributed by investing in short-term deposits and money market placements of diversified maturities while maintaining its liquidity requirements.

The Fund met its investment objective of providing a stable stream of income.



**The performance is calculated on NAV-to-NAV basis with gross income or dividend reinvested.**

**Benchmark:** Maybank overnight deposit rate

**Source:** Lipper for Investment Management and [www.maybank2u.com.my](http://www.maybank2u.com.my), as at 30 September 2016.

**Past performance of the Fund is not necessarily indicative of its future performance.**



## MANAGER'S REPORT (CONTINUED)

### Analysis of Fund Performance

For the financial year ended 30 September 2016:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
3.44	(0.08)	3.36	1.95

\* Capital return components (NAV per unit to NAV per unit)

### Distribution/ Unit Split

Ex-date	15-Oct-15	17-Nov-15	15-Dec-15
Distribution Per Unit	(RM)	(RM)	(RM)
Gross	0.0028	0.0025	0.0023
Net	0.0028	0.0025	0.0023
Ex-date	15-Jan-16	15-Feb-16	15-Mar-16
Distribution Per Unit	(RM)	(RM)	(RM)
Gross	0.0027	0.0037	0.0040
Net	0.0027	0.0037	0.0040
Ex-date	15-Apr-16	16-May-16	15-Jun-16
Distribution Per Unit	(RM)	(RM)	(RM)
Gross	0.0034	0.0023	0.0017
Net	0.0034	0.0023	0.0017
Ex-date	15-Jul-16	15-Aug-16	15-Sep-16
Distribution Per Unit	(RM)	(RM)	(RM)
Gross	0.0023	0.0034	0.0037
Net	0.0023	0.0034	0.0037

## MANAGER'S REPORT (CONTINUED)

**Distribution/  
Unit Split  
(continued)**

Impact on NAV arising from distribution for the financial year ended 30 September 2016.

<b>Ex-date</b>	<b>15-Oct-15</b>	<b>17-Nov-15</b>	<b>15-Dec-15</b>
	<b>(RM per Unit)</b>	<b>(RM per Unit)</b>	<b>(RM per Unit)</b>

Net Asset Value before distribution	1.0293	1.0294	1.0298
Less: distribution	(0.0028)	(0.0025)	(0.0023)
Net Asset Value after distribution	1.0265	1.0269	1.0275

<b>Ex-date</b>	<b>15-Jan-16</b>	<b>15-Feb-16</b>	<b>15-Mar-16</b>
	<b>(RM per Unit)</b>	<b>(RM per Unit)</b>	<b>(RM per Unit)</b>

Net Asset Value before distribution	1.0308	1.0312	1.0304
Less: distribution	(0.0027)	(0.0037)	(0.0040)
Net Asset Value after distribution	1.0281	1.0275	1.0264

<b>Ex-date</b>	<b>15-Apr-16</b>	<b>16-May-16</b>	<b>15-Jun-16</b>
	<b>(RM per Unit)</b>	<b>(RM per Unit)</b>	<b>(RM per Unit)</b>

Net Asset Value before distribution	1.0292	1.0287	1.0292
Less: distribution	(0.0034)	(0.0023)	(0.0017)
Net Asset Value after distribution	1.0258	1.0264	1.0275

<b>Ex-date</b>	<b>15-Jul-16</b>	<b>15-Aug-16</b>	<b>15-Sep-16</b>
	<b>(RM per Unit)</b>	<b>(RM per Unit)</b>	<b>(RM per Unit)</b>

Net Asset Value before distribution	1.0303	1.0306	1.0297
Less: distribution	(0.0023)	(0.0034)	(0.0037)
Net Asset Value after distribution	1.0280	1.0272	1.0260

No unit split were declared for the financial year ended 30 September 2016.

## MANAGER’S REPORT (CONTINUED)

### Investment Strategy During Period Under Review

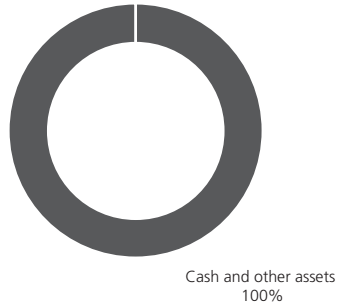
While seeking potential reasonable returns, the Fund also aims to ensure liquidity and preservation of capital.

For the period under review, the Fund invested in a portfolio of short-term deposits and money market placements that would meet the investors’ short-term liquidity management requirements.

### Asset Allocation

Asset Allocation	30-Sep 2016 (%)	30-Sep 2015 (%)	Changes (%)
Cash and other assets	100.00	100.00	0.00

**Asset Allocation as at 30 September 2016**



There were no significant changes in asset allocation of the Fund for the period under review.

### State of Affairs of the Fund

There have been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the period under review.

## MARKET REVIEW

For the period under review, Bank Negara Malaysia (“BNM”) has announced a surprise cut of 25 basis points (“bps”) in its Overnight Policy Rate (“OPR”) to 3.00% in July 2016, after holding it unchanged since July 2014. At the Monetary Policy Committee (“MPC”) meeting on 7 September 2016, BNM maintained the OPR at 3.00%. The Monetary Policy Statement cited that global economy continued to expand moderately. Growth in the advance economics remained modest. In Asia, domestic demand has continued to support economic activity despite weaker exports. Volatility in the international financial markets has receded but markets remained vulnerable to setbacks and changes in sentiments. The downside risks to global growth remain high arising from uncertainty over the growth momentum and policy shifts in major economies, and unresolved issues post the European Union referendum in the United Kingdom.

For Malaysia, growth moderated slightly in the second quarter, following weaker net exports and a drawdown in stocks. Domestic demand remains the key driver of growth. Private consumption remained to be supported by wage and employment growth, with additional disposable income from announced Government measures. Investment activity continued to be anchored by infrastructure development projects and capital spending in manufacturing and services sectors. Export growth, however, is expected to remain weak. Overall, Malaysian economy is projected to expand within expectations in 2016 and to sustain a steady growth in 2017.

Headline inflation is expected to be at the lower end of the 2% to 3% for 2016 and to remain relatively stable in 2017 given the environment of low global energy and commodity prices, and generally subdued global inflation.

The MPC viewed that at the current level of the OPR, the stance of monetary policy remained accommodative to ensure that the domestic economy continues on a steady growth path amid stable inflation, supported by continued healthy financial intermediation in the economy. The MPC will continue to assess the balance of risks surrounding the outlook for domestic growth and inflation.

Following the 25bps cut in OPR from 3.25% to 3.00% on 13 July 2016, the interbank short-term rates were adjusted downwards by similar magnitude and maintained their tight trading range thereafter amidst ample liquidity in the market. The overnight and 1-week rates fell from 3.23% - 3.26% at the beginning period to 2.93% - 3.03% respectively, while the 1-month rates dropped from 3.38% to 3.12% - 3.14%.

Similarly, the rate cut effect spilled over to the short-term bills market, shifting the yields lower across all tenures for the period under review. Both 1-month and 1-year yields traded lower by 26bps and 60bps to 2.88% and 2.58% respectively.

## REBATES AND SOFT COMMISSIONS

During the period under review, the Manager and its delegates (if any) did not receive any soft commissions from stockbrokers.

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# EASTSPRING INVESTMENTS INSTITUTIONAL INCOME FUND

## FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

## TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS INSTITUTIONAL INCOME FUND

We have acted as Trustee for Eastspring Investments Institutional Income Fund (the "Fund") for financial year ended 30 September 2016. To the best of our knowledge, for the year under review, Eastspring Investments Berhad (the "Manager") has operated and managed the Fund in accordance with the following:

- a. limitations imposed on the investment powers of the Manager and Trustee under the Deed, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b. the valuation/pricing for the Fund has been carried out in accordance with the Deed of the Fund and applicable regulatory requirements; and
- c. creation and cancellation of units for the Fund have been carried out in accordance with the Deed of the Fund and applicable regulatory requirements.

We are of the view that the distributions made during this financial year ended 30 September 2016 by the Manager are not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

**Soon Lai Ching**

Senior Manager, Trustee Operations

**Mahesh Anchan**

Head, Trustee Operations

Kuala Lumpur

Date: 18 November 2016

# INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS INSTITUTIONAL INCOME FUND

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Eastspring Investments Institutional Income Fund (the "Fund") on pages 15 to 37, which comprise the statement of financial position as at 30 September 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 14 to the financial statements.

### Manager's Responsibility for the Financial Statements

The Manager of the Fund is responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Manager's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as of 30 September 2016 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.



## OTHER MATTERS

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

### **PRICEWATERHOUSECOOPERS**

(No. AF: 1146)

Chartered Accountants

Kuala Lumpur

Date: 18 November 2016

## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

	Note	2016	2015
		RM	RM
<b>INVESTMENT INCOME</b>			
Interest income from deposits with licensed financial institutions		11,219,731	24,806,517
		<u>11,219,731</u>	<u>24,806,517</u>
<b>EXPENSES</b>			
Management fee	3	(1,698,199)	(3,828,322)
Trustee fee	4	(84,910)	(191,416)
GST charges		(106,987)	(81,645)
Other expenses		(4,329)	(4,904)
		<u>(1,894,425)</u>	<u>(4,106,287)</u>
<b>PROFIT BEFORE TAXATION</b>		9,325,306	20,700,230
<b>TAXATION</b>	6	-	-
<b>PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME</b>		<u>9,325,306</u>	<u>20,700,230</u>
Profit after taxation is made up of the following:			
Realised amount		<u>9,325,306</u>	<u>20,700,230</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2016

	Note	2016	2015
		RM	RM
<b>ASSETS</b>			
Bank balance with a licensed bank		43,272	10,577
Financial assets at fair value through profit or loss	7	274,246,644	184,047,955
<b>TOTAL ASSETS</b>		<u>274,289,916</u>	<u>184,058,532</u>
<b>LIABILITIES</b>			
Accrued management fee		164,935	102,188
Amount due to Trustee		8,247	5,109
GST charges payable		10,391	6,849
<b>TOTAL LIABILITIES</b>		<u>183,573</u>	<u>114,146</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>274,106,343</u>	<u>183,944,386</u>
<b>EQUITY</b>			
Unit holders' capital		253,826,874	163,213,508
Retained earnings		20,279,469	20,730,878
<b>NET ASSET ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>274,106,343</u>	<u>183,944,386</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	8	<u>266,847,116</u>	<u>178,938,957</u>
<b>NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)</b>		<u>1.0272</u>	<u>1.0280</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

	Note	Unit holders' capital	Retained earnings	Total
		RM	RM	RM
Balance as at 1 October 2015		163,213,508	20,730,878	183,944,386
Movement in unit holders' contribution:				
Creation of units from applications		712,236,650	-	712,236,650
Creation of units from distributions		9,776,716	-	9,776,716
Cancellation of units		(631,400,000)	-	(631,400,000)
Total comprehensive income for the financial year		-	9,325,306	9,325,306
Distributions (Gross/Net: 3.48 sen per unit)	5	-	(9,776,715)	(9,776,715)
Balance as at 30 September 2016		253,826,874	20,279,469	274,106,343
Balance as at 1 October 2014		706,041,573	20,455,498	726,497,071
Movement in unit holders' contribution:				
Creation of units from applications		1,093,422,953	-	1,093,422,953
Creation of units from distributions		20,424,850	-	20,424,850
Cancellation of units		(1,656,675,868)	-	(1,656,675,868)
Total comprehensive income for the financial year		-	20,700,230	20,700,230
Distributions (Gross/Net: 3.32 sen per unit)	5	-	(20,424,850)	(20,424,850)
Balance as at 30 September 2015		163,213,508	20,730,878	183,944,386

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from maturity of deposits with licensed financial institutions	9,654,311,311	21,717,113,569
Placement of deposits with licensed financial institutions	(9,744,510,000)	(21,174,299,000)
Interest received from deposits with licensed financial institutions	11,219,731	24,806,517
Management fee paid	(1,635,452)	(4,073,455)
Trustee fee paid	(81,772)	(203,673)
Payment for other fees and expenses	(107,774)	(83,151)
Net cash (used in)/generated from operating activities	<u>(80,803,956)</u>	<u>563,260,807</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from units created	722,013,366	1,113,847,803
Payments for cancellation of units	(631,400,000)	(1,656,675,868)
Distribution paid	(9,776,715)	(20,424,850)
Net cash generated from/(used in) financing activities	<u>80,836,651</u>	<u>(563,252,915)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	32,695	7,892
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<u>10,577</u>	<u>2,685</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<u>43,272</u>	<u>10,577</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

#### A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”), under the historical cost convention as modified by financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with the MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note J to the financial statements.

The new standards, amendments to published standards and interpretations to existing standards that are applicable to the Fund but not yet effective and have not been early adopted are as follows:

##### i. Financial year beginning on/after 1 October 2017

- Amendments to MFRS 107 “Statement of Cash Flows – Disclosure Initiative” (effective from 1 January 2017) introduce an additional disclosure on changes in liabilities arising from financing activities.

The Fund will apply this standard when effective. This standard is not expected to have a significant impact on the Fund’s financial statements.

##### ii. Financial year beginning on/after 1 October 2018

- MFRS 9 “Financial Instruments” (effective from 1 January 2018) will replace MFRS 139 “Financial Instruments: Recognition and Measurement”.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income (“OCI”). The basis of classification depends on the entity’s business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always

measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Fund will apply this standard when effective. This standard is not expected to have a significant impact on the Fund's financial statements.

- MFRS 15 "Revenue from contracts with customers" (effective from 1 January 2018) replaces MFRS 118 "Revenue" and MFRS 111 "Construction contracts" and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Fund will apply this standard when effective. This standard is not expected to have a significant impact on the Fund's financial statements.

**B. INCOME RECOGNITION**

Interest income from short term deposits is recognised on an accrual basis using the effective interest method.

**C. TAXATION**

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable income earned during the financial year.

**D. PRESENTATION AND FUNCTIONAL CURRENCY**

Items included in the financial statements of the Fund are measured using the currency as the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's presentation and functional currency.

**E. FINANCIAL ASSETS AND FINANCIAL LIABILITIES****i. Classification**

The Fund designates its deposits with licensed financial institutions as financial assets at fair value through profit or loss at inception.

Financial assets are designated at fair value through profit or loss when they are managed and their performance evaluated on a fair value basis.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund's loans and receivables comprise bank balance with a licensed bank which is due within 12 months.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Fund's financial liabilities include accrued management fee, amount due to Trustee, and GST charges payable.



ii. Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Deposits with licensed financial institutions are initially recognised at fair value.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits.

Loans and receivables and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

iii. Impairment for assets carried at amortised costs

For assets carried at amortised cost, the Fund assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in statement of comprehensive income. If 'loans and receivables' or a 'held-to-maturity investment' have a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in statement of comprehensive income.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

## **F. CASH AND CASH EQUIVALENTS**

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balance with a licensed bank which is readily convertible to known amounts of cash and which is subject to an insignificant risk of changes in value.

## **G. UNIT HOLDERS' CAPITAL**

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's net assets value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

## **H. DISTRIBUTIONS**

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as a liability in the financial year in which it is approved.

## **I. SEGMENTAL INFORMATION**

Operating segments are reported in a manner consistent with the internal reporting used by chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Investment Committee of the Fund's Manager that undertakes strategic decisions for the Fund.

## **J. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Manager's best knowledge of current events and actions, actual results could differ from those estimates.

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Funds' results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

### 1. INFORMATION ON THE FUND

Eastspring Investments Institutional Income Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 16 March 2005, a Master Supplemental Deed dated 12 July 2007, a Second Supplemental Master Deed dated 30 November 2009 between HSBC (Malaysia) Trustee Berhad ("HSBC Trustee") and Eastspring Investments Berhad (the "Manager"). The Fund replaced HSBC Trustee with Deutsche Trustees Malaysia Berhad (the "Trustee") effective 1 October 2010. A Supplemental Master Deed was entered into between the "Manager" and the "Trustee" on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee, followed by a Second Supplemental Master Deed dated 28 January 2011, a Third Supplemental Master Deed dated 9 March 2011, a Fourth Supplemental Master Deed dated 20 January 2012, a Fifth Supplemental Master Deed dated 26 March 2014, a Sixth Supplemental Master Deed dated 2 January 2015 and a Seventh Supplemental Master Deed dated 11 July 2016 (collectively referred to as the "Deed").

The Fund was launched on 7 April 2005 and will continue its operations until terminated by the Manager or the Trustee as provided under Part 12 of the Deed.

The Fund shall invest in short-term money market deposits and/or fixed deposits that would meet the investors' short-term money management requirements. All investments will be subjected to the SC Guidelines on Unit Trust Funds, the Deed and the objective of the Fund where applicable.

The Fund seeks to provide liquidity and a steady income stream by investing in money market instruments and/or deposits.

The Manager, is a company incorporated in Malaysia, is related to Prudential Plc., a public listed company in the United Kingdom. The principal activity of the Manager is the establishment and management of unit trust funds and asset management.

### 2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (inclusive of interest rate risk), liquidity risk, fund management risk, capital risk and credit/default risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the Deed.

Financial instruments of the Fund are as follows:

	Note	Loans and receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2016</u>				
Financial assets at fair value through profit or loss	7	-	274,246,644	274,246,644
Bank balance with a licensed bank		43,272	-	43,272
		<u>43,272</u>	<u>274,246,644</u>	<u>274,289,916</u>
<u>2015</u>				
Financial assets at fair value through profit or loss	7	-	184,047,955	184,047,955
Bank balance with a licensed bank		10,577	-	10,577
		<u>10,577</u>	<u>184,047,955</u>	<u>184,058,532</u>

All liabilities are financial liabilities which are carried at amortised cost.

## Market risk

### i. Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

As at the date of the statement of financial position, all the financial assets and financial liabilities have no exposure to interest rate movement except for deposits with a licensed financial institution of RM274,246,644 (2015: RM184,047,955) which have maturities of less than one year.

The Fund's investments in deposits with licensed financial institutions are short term in nature. Therefore, exposure to interest rate fluctuations is minimal.

## Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Fund Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise bank balance and deposits with licensed financial institutions which are capable of being converted into cash within 7 days.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	<b>Less than 1 month</b>
	<b>RM</b>
<b>2016</b>	
Accrued management fee	164,935
Amount due to Trustee	8,247
GST charges payable	10,391
Contractual cash outflows	<u>183,573</u>
<b>2015</b>	
Accrued management fee	102,188
Amount due to Trustee	5,109
GST charges payable	6,849
Contractual cash outflows	<u>114,146</u>

## Fund management risk

There is the risk that the management company may not adhere to the investment mandate of the respective Fund. With close monitoring by the investment committee, back office system being incorporated with limits and controls, and regular reporting to the senior management team, the management company is able to manage such risk. The Trustee has an oversight function over management of the Fund by the management company to safeguard the interests of unit holders.

## Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscription and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

## Credit/default risk

Credit/default risk refers to the ability of an issuer or a counterparty to make timely payments of interest, principals and proceeds from realisation of investments. This risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

The following table sets out the credit risk concentration and counterparties of the Fund.

	Financial assets at fair value through profit or loss	Cash and cash equivalents	Total
	RM	RM	RM
<u>2016</u>			
Finance			
- A1	50,108,699	-	50,108,699
- AA1	7,725,062	43,272	7,768,334
- AA2	50,942,274	-	50,942,274
- AAA	165,470,609	-	165,470,609
	274,246,644	43,272	274,289,916
<u>2015</u>			
Finance			
- A1	36,039,156	-	36,039,156
- AA1	-	10,577	10,577
- AA3	27,896,113	-	27,896,113
- AAA	120,112,686	-	120,112,686
	184,047,955	10,577	184,058,532

None of these assets are past due or impaired.

## Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair value of financial assets traded in active market (such as trading securities) are based on quoted market prices at the close of trading on the year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Fund Manager will determine the point within the bid-ask spread that is representative of the fair value.

An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

## Fair value hierarchy

- i. The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:
  - Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
  - Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
  - Level 3: Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.



The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<u>2016</u>				
Financial assets at fair value through profit or loss:				
Deposits with licensed financial institutions	-	274,246,644	-	274,246,644
<u>2015</u>				
Financial assets at fair value through profit or loss:				
Deposits with licensed financial institutions	-	184,047,955	-	184,047,955

The financial assets are short term financial instruments for which the carrying amount approximates the fair values.

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2, include deposits with licensed financial institutions. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note E to the financial statements.

- ii. The carrying value of cash and cash equivalents and all liabilities are a reasonable approximation of their fair values due to their short term nature.

### 3. MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 2.00% per annum on the net asset value of the Fund calculated on daily basis.

For the financial year ended 30 September 2016, the management fee is recognised at a rate of 0.60% (2015: 0.60%) per annum on the net asset value of the Fund, calculated on a daily basis.

There will be no further liability to the Manager in respect of the management fee other than the amounts recognised above.

### 4. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.20% per annum on the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum and a maximum fee of RM350,000 per annum.

For the financial year ended 30 September 2016, the Trustee fee is recognised at a rate of 0.03% (2015: 0.03%) per annum on the net asset value of the Fund, calculated on a daily basis.

There will be no further liability to the Trustee in respect of the trustee fee other than the amounts recognised above.

### 5. DISTRIBUTIONS

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
Distributions to unit holders are from the following sources:		
Interest income	3,339,466	8,017,670
Prior year's realised income	5,696,746	13,015,367
Distribution equalisation (Memorandum account)	1,288,719	696,381
	<hr/>	<hr/>
Gross realised income	10,324,931	21,729,418
Less: Expenses	(548,216)	(1,304,568)
	<hr/>	<hr/>
	9,776,715	20,424,850

During the financial year, distributions were made as follows:

Ex-date	Gross/net distribution	
	2016	2015
	RM/unit	RM/unit
15 October/16 October	0.0028	0.0028
17 November/15 November	0.0025	0.0026
15 December/16 December	0.0023	0.0026
15 January	0.0027	0.0025
15 February/16 February	0.0037	0.0031
15 March/16 March	0.0040	0.0035
15 April	0.0034	0.0030
16 May	0.0023	0.0024
15 June	0.0017	0.0022
15 July	0.0023	0.0023
15 August/17 August	0.0034	0.0029
15 September	0.0037	0.0033
	<u>0.0348</u>	<u>0.0332</u>

Gross distribution is derived using total income less total expenses. The distribution is made from current and prior year's realised income.

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution for unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

Distribution equalisation represents the average amount of distributable income included in the creation and cancellation prices of units. It is computed as at each date of creation and cancellation of units. For the purposes of determining amount available for distribution, income equalisation is included in the computation of realised gain or income available for distribution.

## 6. TAXATION

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
Tax charged for the financial year:		
Current taxation – local	-	-

The numerical reconciliation between profit before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
Profit before taxation	9,325,306	20,700,230
Tax at Malaysian statutory rate of 24% (2015: 25%)	2,238,074	5,175,058
Tax effects of:		
Investment income exempt from tax	(2,692,735)	(6,201,629)
Expenses not deductible for tax purposes	47,094	69,491
Restriction on tax deductible expenses for Unit Trust Funds	407,567	957,080
Taxation	-	-

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
Deposits with licensed financial institutions*	274,246,644	184,047,955

The effective weighted average interest rate of short term deposits with licensed financial institutions per annum as at the date of the statement of financial position are as follows:

	<b>2016</b>	<b>2015</b>
	<b>%</b>	<b>%</b>
Deposits with licensed financial institutions	3.48	3.95

\* Includes interest receivable of RM906,644 (2015: RM257,955)

The deposits have an average maturity of 9 days (2015: 12 days).

## 8. UNITS IN CIRCULATION

	<b>2016</b>	<b>2015</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year	178,938,957	706,639,379
Creation of units during the financial year:		
Arising from applications	692,458,032	1,062,594,979
Arising from distributions	9,520,284	19,888,565
Cancellation of units during the financial year	(614,070,157)	(1,610,183,966)
At the end of the financial year	<u>266,847,116</u>	<u>178,938,957</u>

## 9. TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Details of transactions with the top 10 financial institutions are as follows:

Name of financial institutions	Value	Percentage of
	of trades	total trades
	RM	%
<u>2016</u>		
CIMB Bank Berhad	4,323,896,000	44.37
Public Bank Berhad	1,222,440,000	12.54
RHB Bank Berhad	1,220,010,000	12.52
Malayan Banking Berhad	1,215,240,000	12.47
Hong Leong Bank Berhad	373,400,000	3.83
Alliance Bank Malaysia Berhad	335,850,000	3.45
Maybank Islamic Berhad	205,750,000	2.11
Bank Islam Malaysia Berhad	172,110,000	1.77
KAF Investment Bank Berhad	152,170,000	1.56
United Overseas Bank (Malaysia) Berhad	147,680,000	1.52
Others	375,964,000	3.86
	<u>9,744,510,000</u>	<u>100.00</u>
<u>2015</u>		
CIMB Bank Berhad	13,492,965,000	63.72
Malayan Banking Berhad	2,286,792,000	10.80
Public Bank Berhad	1,276,350,000	6.03
Hong Leong Bank Berhad	819,270,000	3.87
RHB Bank Berhad	798,450,000	3.77
Bank of China (M) Berhad	591,350,000	2.79
Alliance Bank Malaysia Berhad	470,520,000	2.22
Malayan Banking Berhad (Islamic Banking)	350,360,000	1.65
KAF Investment Bank Berhad	338,680,000	1.60
OCBC Bank (Malaysia) Berhad	216,000,000	1.02
Others	533,562,000	2.53
	<u>21,174,299,000</u>	<u>100.00</u>

The above mentioned financial institutions are not related to the Manager.

**10. MANAGEMENT EXPENSE RATIO (“MER”)**

	<b>2016</b>	<b>2015</b>
	<b>%</b>	<b>%</b>
MER	0.67	0.63

MER is derived from the following calculation:

$$\text{MER} = \frac{(A + B + C)}{D} \times 100$$

- A = Management fee
- B = Trustee fee
- C = Other expenses (including GST charges)
- D = Average net asset value of the Fund calculated on a daily basis

The average net asset value of the Fund for the financial year calculated on a daily basis is RM283,027,959 (2015: RM638,042,407).

The following expenses of the Fund are borne by the Manager (effective from 1 October 2009):

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
Audit fee	7,000	6,552
Tax agent fee	3,400	3,400
	<u>10,400</u>	<u>9,952</u>

**11. PORTFOLIO TURNOVER RATIO (“PTR”)**

	<b>2016</b>	<b>2015</b>
PTR (times)	34.27	33.61

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisitions for the financial year} + \text{total disposals for the financial year}) \div 2}{\text{Average net asset value of the Fund for the financial year calculated on a daily basis}}$$

where:

total acquisitions for the financial year = RM9,744,510,000 (2015: RM21,174,299,000)

total disposals for the financial year = RM9,654,311,311 (2015: RM21,717,113,569)

## 12. UNITS HELD BY THE MANAGER

The related party of and its relationship with the Fund are as follows:

Related party	Relationship			
Eastspring Investments Berhad	The Manager			
	2016		2015	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	1,161	1,193	1,123	1,154

The above units were transacted at the prevailing market price.

The units are held legally by the Manager and are within the prescribed limit allowed by Securities Commission's Guidelines on Unit Trust Funds. Other than the above, there were no units held by the Directors or parties related to the Manager.

## 13. SEGMENTAL INFORMATION

The internal reporting provided to the chief operating decision-maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The CEO, who is the chief operating decision-maker, is responsible for the performance of the Fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These return consist of interest income earned from investments, and is derived from Malaysian money market instruments.

There were no changes in the reportable operating segments during the financial year.

## 14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 18 November 2016.



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# CORPORATE DIRECTORY

## **THE MANAGER**

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

531241-U

REGISTERED OFFICE

16<sup>th</sup> Floor, Wisma Sime Darby

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WEBSITE

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## **BOARD OF DIRECTORS OF THE MANAGER**

Julian Christopher Vivian Pull

*(Chairman, non-independent,  
non-executive director)*

Iskander bin Ismail Mohamed Ali

*(Independent, non-executive director)*

Khoo Chuan Keat

*(Independent, non-executive director)*

Michele Mi Kyung Bang

*(Non-independent, non-executive director)*

Raymond Tang Chee Kin

*(Non-independent, executive director)*

## **INVESTMENT COMMITTEE OF THE FUND**

Ho Yik

*(Independent member)*

Robert Yap Yen Choon

*(Independent member)*

Abdul Khalil bin Abdul Hamid

*(Independent member)*

Dato' Saiful Bahri bin Zainuddin

*(Independent member)*

Raymond Tang Chee Kin

*(Non-independent member)*

## **AUDIT AND COMPLIANCE COMMITTEE OF THE MANAGER**

Iskander bin Ismail Mohamed Ali

*(Independent)*

Khoo Chuan Keat

*(Independent)*

Niall Dermot Grady

*(Non-independent)*

## **MANAGER'S DELEGATE - FUND VALUER**

NAME

DEUTSCHE BANK (MALAYSIA) BERHAD

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312552-W

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REGISTRAR AND TRANSFER AGENT**

NAME  
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1178655-U

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**COMPANY SECRETARY OF  
THE MANAGER**

NAME  
VIJAY A/L R. MOHANA KRISHNAN  
(BC/V/143)

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**TRUSTEE**

NAME  
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BERHAD

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**TRUSTEE'S DELEGATE - CUSTODIAN**

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